SURETRACK

MONITORING PLC

Report of the Directors and Consolidated Financial Statements

For the year ended 31 March 2013

Annual Report and Financial Statements

for the year ended 31 March 2013

Contents

Company Information

Directors:	S G Barrell B Wise
Secretary:	S G Barrell
Registered office:	Wolfe Lodge Farnham Road Bordon Hampshire GU35 0NH
Registered number:	06214926
Auditors:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Bankers:	Lloyds TSB 73 Parade Leamington Spa Warwickshire CV32 4BB
Nominated Adviser and Broker:	Sanlam Securities UK Ltd 10 King William Street London EC4N 7TW

Chairman's Statement

The Company announced on 10 September 2013 that it had entered into a conditional Sale and Purchase Agreement to dispose of its wholly owned subsidiary IBP Limited ("IBP") and, subject to a proposed Capital Reorganisation, that it intends to raise approximately £250,000 before expenses by means of a subscription for 250,021,404 new ordinary shares at 0.1p per ordinary share and that it intends to utilise those funds in connection with implementing a proposed new investing policy for the Company.

The Board reviewed the trading of the Company and as a result of the on-going losses at IBP felt that it was not sustainable or in the best interests of shareholders to continue with the ownership of IBP as it could not support the central costs associated with the Company being quoted on AIM. IBP made a loss of £70,115 for the year to 31 March 2013 (14 months to 31 March 2012: loss of £5,173). The Company has previously announced that the major contract wins that were anticipated during the year have not come to fruition which means that forecast revenues are extremely weak. As a result the Board are of the opinion that the disposal of IBP and the related proposals represent the best chance for the Company to realise future value for shareholders.

The Group results show an operating loss for the year of £1,071,931 (2012: loss of £596,464) which includes a provision for the impairment of the carrying value of IBP of £885,028 for the reasons described above.

The circular posted to shareholders on 10 September 2013 outlines the proposed Capital Reorganisation, the proposed subscription to raise approximately £250,000 before expenses and the proposed new investing policy for the Group. The proposed new Board will assess potential businesses and projects going forward and will work hard to achieve shareholder value in the future.

Summary and outlook

Whilst the outcome for the Group over the last two years has been disappointing I hope that the new investment in the business will enhance shareholder value in the future.

S G Barrell

24 September 2013

Directors' Report

The directors present their report with the financial statements of the Company and the Group for the year ended 31 March 2013.

Principal activity

The principal activity of the Group in the period under review was that of the supply, assembly and installation of cash security equipment.

Change of financial year end

The Company changed its financial year end from 31 January to 31 March for the period ended 31 March 2012. The comparative figures therefore relate to a 14 month period.

Review of business

The results for the period and financial position of the Group are shown in the financial statements. In summary, the Group has made a loss for the period of £1,071,931 (2012 14 months: loss £596,365).

During the year the directors continued to explore various avenues to help improve the profitability of IBP. Following from the results and trading of IBP the directors decided that the Company would be better served under new ownership and therefore decided to seek purchasers for the business. The directors also decided to raise further capital such that the holding company could continue as an investing company. The sale and the capital raising were announced on 10 September 2013 and is intended to be completed, subject to shareholder approval, at a General Meeting on 2 October 2013. If the sale of IBP is completed this will include a waiver of the amount due to the group company.

On 17 October 2012 the Company received court approval for the capital reorganisation and the Company enacted a Call Option on the former Chief Executives shares. On 22 November 2012 the Company completed the purchase of 117,538,809 shares and this was settled by the cancellation of the long term loan of £188,062.

Dividends

No dividends will be distributed for the period ended 31 March 2013.

Research and development

The Group has continued to undertake research and development into products for the cash handling businesses.

Future developments

The proposed New Board, disposing of IBP, raising further capital and becoming an investment company.

Directors

The directors shown below have held office during the period from 1 April 2012 to the date of this report.

S G Barrell
B Wise

The directors who held office at the end of the financial period have the following interests in shares of the Company:

Name of Director	Role	Number of Shares
S G Barrell	Non Executive Chairman	2,500,001
B Wise	Non Executive Director	—

Mr Barrell's shares are held via his personal pension fund.

Directors' remuneration
Directors' remuneration is disclosed in note 3 of the financial statements.

Directors Share Options
As at 31 March 2013 directors retained the following rights to acquire shares:

Director	Rights over shares	Option price	Expiry Date
S G Barrell	2,000,000	0.6p	03/08/2020
B Wise	1,000,000	0.6p	03/08/2020
S G Barrell	4,000,000	0.45p	13/02/2021
B Wise	3,000,000	0.45p	13/02/2021

Group's policy on payment of creditors

The Group has a creditor payment policy of between 30-60 days. The trade creditor days during the period were 23 (2012: 41).

Risks and uncertainties

The Group faces a difficult time in an unstable economic environment, listed below are the key risks facing the company;

Market risk
Market risk is the risk that the demand for the business products will not be as anticipated due to economic pressures on customers.

The directors assess the overall business environment to monitor the level of market risk on the trading performance of the Group. Following the announcement on 10 September 2013 whereby the Company will become an investment company the future market risk will be that of finding suitable investments for the company to invest in and the returns that those investments will return given the markets that in which investments are made.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts. Subject to this assessment, the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer.

The directors determine concentrations of credit risk through a monthly review of trade receivables' ageing analysis. Customers placed as high risk are placed on a restricted customer list and future sales made on a prepayment basis, subject to the discretion of the directors and local management.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The directors receive rolling 12 month cash flow projections on a monthly basis as well as information regarding cash investments. At the period end these projections indicated that the group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to secure new facilities with the bank.

Budgets are set at Group level by the directors, enabling the Group's cash requirements to be anticipated and any increase in facilities requires the approval of the Board of directors

Corporate Governance Statement

The Board is accountable to the Company's shareholders for good governance and this statement describes how the relevant principles of governance are applied to the Group. The directors believe that good corporate governance is essential and set out below those principals which the Group has adopted since incorporation and the way they have been applied.

The Board is responsible to the shareholders for the proper management of the Group. The board maintains full and effective control over appropriate strategic, financial, organisational and compliance issues.

Key performance indicators

The Board look at revenues and gross profit and as the key performance indicators.

For the remaining business in the Group the key performance indicators were as follows:

	Year ended 31 March 2013	**14 Months ended 31 March 2012**
Revenue	**£202,439**	£466,399
Gross Profit	**£77,368**	£187,265

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of Business on page 3, and is the financial position of the Group and its cash flows and liquidity position.

In addition, note 1 to the financial statements includes the Group's objectives, policies and processes for managing its capital and its exposures to credit and liquidity risk.

The directors have considered the position of the Group and considered that the sale of IBP and the raising of approximately £250,000 before expenses is the most appropriate action to ensure the business remains a going concern. The directors have received binding letters of subscription for the full amount, subject to shareholder approval at the General Meeting to be held on 2 October 2013, and have produced forecasts for the next 12 months to September 2014. These forecasts contain various assumptions on the levels of expenditure over the period. The directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the financial statements.

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditor

The auditor, Crowe Clark Whitehill LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

S G Barrell

24 September 2013

Report of the Independent Auditors

to the Members of SureTrack Monitoring plc

Independent Auditor's Report to the members of SureTrack Monitoring plc

We have audited the financial statements of Suretrack Monitoring plc for the year ended 31 March 2013 which comprise the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Comprehensive Income, the Group and Company Cash Flow Statements, the Group and Parent Company Statement of Changes in Equity and the related notes numbered 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 March 2013 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we draw attention to the disclosures made in Note 1 of the financial statements concerning the Company's ability to continue as a going concern and specifically that the sale of IBP Limited and the raising of £250,000 before expenses is the most appropriate action to ensure the business remains a going concern although this is subject to shareholder approval on 2 October 2013. Notwithstanding that the directors believe it is appropriate to prepare these financial statements on a going concern basis for the reasons outlined in Note 1, the circumstances do indicate the existence of a material uncertainty that may cast doubt over the ability of the company to continue as a going concern. The financial statements do not include the adjustments that result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nigel Bostock
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
St Brides House
10 Salisbury Square
London
EC4Y 8EH

24 September 2013

Consolidated Income Statement

for the year ended 31 March 2013

	Notes	Year ended 31 March 2013 £	14 Months ended 31 March 2012 £	14 Months ended 31 March 2012 £	14 Months ended 31 March 2012 £
		Total	Discontinued business	Continuing business	Total
Revenue		**202,439**	478,578	466,399	944,977
Cost of sales		**(125,071)**	(305,435)	(279,134)	(584,569)
Gross profit		**77,368**	173,143	187,265	360,408
Administrative expenses		**(264,271)**	(605,429)	(332,130)	(937,559)
Exceptional items	4	**(885,028)**	—	(19,313)	(19,313)
Operating loss		**(1,071,931)**	(432,286)	(164,178)	(596,464)
Finance costs	5	**—**			—
Finance income	5	**—**			99
Loss before income tax		**(1,071,931)**			(596,365)
Income tax	7	**—**			—
Loss for the period		**(1,071,931)**			(596,365)
Loss attributable to:					
Owners of the parent		**(1,071,931)**			(596,365)
Earnings per share expressed in pence per share					
Basic	9	**(0.15)**			(0.08)
Diluted	9	**(0.15)**			(0.08)

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2013

	Group		Company	
	Year ended 31 March 2013 £	**14 Months ended 31 March 2012 £**	**Year ended 31 March 2013 £**	**14 Months ended 31 March 2012 £**
Loss for the period	**(1,071,931)**	(596,365)	**(1,394,591)**	(3,432,322)
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	**(1,071,931)**	(596,365)	**(1,394,591)**	(3,432,322)
Total comprehensive income attributable to:				
Owners of the parent	**(1,071,931)**	(596,365)	**(1,394,591)**	(3,432,322)

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2013

Company number: 06214926

	Notes	As at 31 March 2013 £	As at 31 March 2012 £
Assets			
Non-current assets			
Goodwill	10	—	885,028
Intangible assets	11	**3,970**	3,970
Property, plant and equipment	12	**8,599**	13,646
Long term loan note	15	—	188,062
		12,569	1,090,706
Current assets			
Inventories	14	**13,175**	25,444
Trade and other receivables	15	**19,508**	54,961
Cash and cash equivalents	16	**101,174**	228,930
		133,857	309,335
Total assets		**146,426**	1,400,041
Equity			
Shareholders' equity			
Called up share capital	17	**309,404**	4,170,844
Share premium	18	—	2,091,897
Other reserves	18	—	—
Retained earnings	18	**(304,998)**	(5,006,961)
Total equity		**4,406**	1,255,780
Liabilities			
Current liabilities			
Trade and other payables	19	**142,020**	144,261
Tax payable		—	—
		142,020	144,261
Total liabilities		**142,020**	144,261
Total equity and liabilities		**146,426**	1,400,041

The financial statements were approved and authorised for issue by the Board of Directors on 24 September 2013 and were signed on its behalf by:

S G Barrell – Director

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Company Statement of Financial Position

As at 31 March 2013

	Notes	As at 31 March 2013 £	As at 31 March 2012 £
Non-current assets			
Investments	13	—	885,048
Long term loan	15	—	188,062
		—	1,073,110
Current assets			
Trade and other receivables	15	**11,362**	450,770
Cash and cash equivalents	16	**35,858**	81,960
Total assets		**47,220**	1,605,840
Equity			
Shareholders' equity			
Called up share capital	17	**309,404**	4,170,844
Share premium	18	—	2,091,897
Retained earnings	18	**(383,364)**	(4,762,667)
Total equity		**(73,960)**	1,500,074
Liabilities			
Current liabilities			
Trade and other payables	19	**121,180**	105,766
Total liabilities		**121,180**	105,766
Total equity and liabilities		**47,220**	1,605,840

The financial statements were approved and authorised for issue by the Board of Directors on 24 September 2013 and were signed on its behalf by:

S G Barrell – Director

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2013

	Called up share capital £	Profit and loss account £	Share premium £	Other reserves £	Total equity £
Balance at 1 February 2011	4,133,344	(2,273,917)	1,879,858	(2,148,000)	1,591,285
Changes in equity					
Issue of share capital	37,500	—	212,039	—	249,539
Total comprehensive income	—	(596,365)	—	—	(596,365)
Disposal of subsidiary	—	(2,148,000)	—	2,148,000	—
Share based payment charge	—	11,321	—	—	11,321
Balance at 31 March 2012	4,170,844	(5,006,961)	2,091,897	—	1,255,780
Changes in equity					
Cancellation of deferred share capital	(3,802,670)	3,802,670	—	—	—
Cancellation of share premium account	—	2,091,897	(2,091,897)	—	—
Purchase of own shares (note 17,18)	(58,770)	(129,293)	—	—	(188,063)
Total comprehensive income	—	(1,071,931)	—	—	(1,071,931)
Share based payment charge	—	8,620	—	—	8,620
Balance at 31 March 2013	**309,404**	**(304,998)**	—	—	**4,406**

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2013

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
Balance at 1 February 2011	4,133,344	(1,341,666)	1,880,022	4,671,700
Changes in equity				
Issue of share capital	37,500	—	211,875	249,375
Total comprehensive income	—	(3,432,322)	—	(3,432,322)
Share based payment charge	—	11,321	—	11,321
Balance at 31 March 2012	4,170,844	(4,762,667)	2,091,897	1,500,074
Changes in equity				
Cancellation of deferred share capital	(3,802,670)	3,802,670	—	—
Purchase of own shares (note 17,18)	(58,770)	(129,293)	—	(188,063)
Cancellation of share premium account	—	2,091,897	(2,091,897)	—
Total comprehensive income	—	(1,394,591)	—	(1,394,591)
Share based payment charge	—	8,620	—	8,620
Balance at 31 March 2013	**309,404**	**(383,364)**	**—**	**(73,960)**

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2013

	Notes	Group 2013 £	Group 14 months to 2012 £
Cash flows from operating activities			
Cash used in operations	21	**(127,234)**	(465,382)
Net cash used in operating activities		**(127,756)**	(465,382)
Cash flows from investing activities			
Purchase of intangible fixed assets		—	(17,150)
Purchase of tangible fixed assets		**(2,522)**	(9,860)
Acquisition of business assets		—	(30,000)
Proceeds from sale of fixed assets		**2,000**	10,136
Cash disposed off with subsidiary		—	(29,250)
Interest received		—	99
Net cash used by investing activities		**(522)**	(76,025)
Cash flows from financing activities			
Share issues net of expenses		—	249,375
Net cash from financing activities		—	249,375
Decrease in cash and cash equivalents		**(127,756)**	(292,032)
Cash and cash equivalents at beginning of period	22	**228,930**	520,962
Cash and cash equivalents at end of period	22	**101,174**	228,930

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Company Statement of Cash Flows

for the year ended 31 March 2013

	Notes	2013 £	2012 £
Cash flows from operating activities			
Cash used in operations	21	**(46,102)**	(597,466)
Net cash used in operating activities		**(46,102)**	(597,466)
Cash flows from investing activities			
Interest received		**—**	99
Net cash from investing activities		**—**	99
Cash flows from financing activities			
Share issues net of expenses		**—**	249,375
Net cash from financing activities		**—**	249,375
(Decrease)/increase in cash and cash equivalents		**(46,102)**	(347,992)
Cash and cash equivalents at beginning of period	16	**81,960**	429,952
Cash and cash equivalents at end of period	16	**35,858**	81,960

The accompanying notes on pages 17 to 38 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

1. Accounting policies

Background information
Suretrack Monitoring plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Suretrack Monitoring plc's registered office is Wolfe Lodge, Farnham Road, Bordon, Hampshire GU35 0NH which is also the Group's principal place of business. Suretrack Monitoring plc's shares are listed on the AIM of the London Stock Exchange.

Change of financial year end
The Company changed its financial year end from 31 January to 31 March for the year ended 31 March 2012. The comparative figures are therefore for a 14 month period.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except that they have been modified to include the presentation of certain non-current financial assets and liabilities at fair value.

The consolidated financial statements of Suretrack Monitoring plc are presented in pounds sterling, which is also the functional currency of each company within the Group.

Going Concern
The financial statements have been prepared on a going concern basis as outlined in the Directors Report.

The directors have considered the position of the group and considered that the sale of IBP Limited and the raising of approximately £250,000 before expenses is the most appropriate action to ensure the business remains a going concern. The directors have received binding letters of subscription for the full amount, subject to shareholder approval at the General Meeting to be held on 2 October 2013, and have produced forecasts for the next 12 months to September 2014. These forecasts contain various assumptions on the levels of expenditure over the period. The directors have also assumed the proposed disposal of IBP will proceed with shareholder approval. The directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include the adjustments that result if the company was unable to continue as a going concern.

Basis of consolidation
The Group financial statements consolidate the accounts of Suretrack Monitoring plc and all of its subsidiary undertakings made up to 31 March 2013. The Group income statement includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

Inter-company transactions and balances between group companies are eliminated.

1. Accounting policies continued

Adoption of new and revised International Financial Reporting Standards

No new IFRS standards, amendments or interpretations became effective in 2012 which had a material effect on these Financial Statements.

At the date of approval of these Financial Statements, the following IFRS Standards and Interpretations, which have not been applied in these Financial Statements, were in issue but not yet effective. These new Standards, Amendments and Interpretations are effective for accounting periods beginning on or after the dates shown below:

Standard	Description	Effective for annual periods beginning on or after:
IFRS 7	Amendment – Transfer of financial assets	1 Jul 2011
IFRS 9	Financial instruments not EU Adopted	1 Jan 2015
IFRS 10	Consolidated Financial Statements	1 Jan 2014
IFRS 11	Joint Arrangements	1 Jan 2013
IFRS 12	Disclosure of interests in other entities	1 Jan 2014
IFRS 13	Fair value measurement	1 Jan 2013
IAS 12	Deferred Tax: Recovery of Underlying Assets	1 Jan 2012
IAS 19	Employee benefits	1 Jan 2013
IAS 27 (Revised)	Separate Financial Statements	1 Jan 2013

There have been various amendments made to existing standards and interpretations as a result of the May 2010 improvements to IFRSs, which provide clarifications to existing requirements. Amendments have been made to the following standards:

IFRS 3 'Business Combinations' – transition requirements for contingent consideration; measurement of non-controlling interest; and unreplaced and voluntary replaced share-based payment awards.

IFRS 7 'Financial Instruments' – increased emphasis on the interaction between qualitative and quantitative disclosures.

IAS 1 'Presentation of Financial Statements' – clarification of the presentation of the statement of changes in equity.

IAS 27 'Consolidated and Separate Financial Statements' – transition requirements for amendments made as a result of IAS 27 (revised).

IAS 34 'Interim Financial Reporting' – accounting for significant events and transactions

The Group has not early adopted these amended standards and interpretations. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's Financial Statements in the periods of initial application.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of VAT. Monitoring income where invoiced annually in advance is recognised over the period to which it relates.

Sales of goods are recognised when goods are delivered and title has passed. Interest income is recognised on an accruals basis.

Investments

Investments held as fixed assets are shown at cost less any provision for impairment.

1. Accounting policies continued

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Customer database
The customer database is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 5 years. Amortisation costs are included within administrative expenses.

Development Costs
Development costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over the estimated useful life of 5 years. Amortisation costs are included within administration expenses.

Patents and licenses
Patents and licenses are recognised at historical cost. The patents and licences have an indefinite useful life and are reviewed for an impairment annually.

Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery	–	25% on reducing balance
Furniture and equipment	–	20% on reducing balance and
	–	20% on cost
Motor vehicles	–	25% on cost
Computer equipment	–	25% on cost

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial Instruments
Financial instruments are initially recognised at fair value. Fair value is the amount at which such an instrument could be exchanged in an arm's-length transaction between informed and willing parties.

Unquoted investments with no reliable measure of fair value are stated at cost less impairment. Income from these investments is recognised in the income statement when entitlement is established.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date whether or not there is objective evidence that a financial asset is impaired.

1. Accounting policies continued

Trade and other receivables are recognised initially at fair value and subsequently restated for any impairment. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents comprise cash at bank and in hand as well as short term bank deposits.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, less settlement payments. Interest related charges are recognised as an expense in finance costs in the income statement.

Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged to the income statement on an accruals basis using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are obligations to pay for goods, services and fees that have been either acquired or incurred in the ordinary course of business. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

A financial liability is derecognised only when the obligation is discharged, cancelled or expires.

Income Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted and substantively enacted by the balance sheet date.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: The initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Research and development

Expenditure on research is written off in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised within administration costs over the period from which the company is expected to benefit.

1. Accounting policies continued

Leases
Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Share based payments
The Group operates equity settled share based compensation plans for remuneration of its Directors and employees. All share-based payment arrangements are recognised in the financial statements in accordance with IFRS 2 'Share based payments'.

All services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to equity.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate, share premium.

Where the equity settled award is cancelled it is treated as if it had vested on the date of cancellation and any cost not recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award is deducted from equity with any excess over fair value being treated as an expense in the income statement.

Critical accounting estimates and judgements
The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and assumptions that could have a significant effect upon the company's financial results relate to impairment matters of group goodwill and parent investments.

Further details of estimates and assumptions are set out in each of the relevant accounting policies and detailed notes to the financial statements.

1. Accounting policies continued

The principal judgements made by management that could have a significant impact upon the company's financial results relate to the following:

– the assertions in the preparation of the financial statements on a going concern basis;

– the assessment and appropriateness of recognition of deferred tax assets;

– the assessment of goodwill, investments and receivables for impairment.

2. Segmental reporting

The Group had two key operating segments which are overseen by distinct management teams and reported to the Board. These are the provision of tracking devices, monitoring and recovery services thereon and the supply, assembly and installation of security equipment. The former was conducted through its subsidiary company, Sure-Track Europe Limited and latter through its subsidiary IBP Limited. Sure-Track Europe Limited was disposed of on 5 March 2012 and since that time there has only been one reportable segment.

Segmental analysis by reportable segments*:

	Sure-Track Europe		**IBP**		**Central adjustments***		**Total**	
	2013 £	**2012 £**	**2013 £**	**2012 £**	**2013 £**	**2012 £**	**2013 £**	**2012 £**
Revenue from UK	—	478,578	**107,642**	276,755	—	—	**107,642**	755,333
Revenue from Europe	—	—	**94,797**	189,644	—	—	**94,797**	189,644
Total revenue	—	478,578	**202,439**	466,399	—	—	**202,439**	944,977
Interest revenue	—	—	—	—	—	99	—	99
Depreciation	—	9,857	**4,819**	5,711	—	—	**4,819**	15,568
Amortisation	—	30,005	—	—	**885,028**	—	**885,028**	30,005
Loss before tax	—	411,153	**70,117**	5,173	**1,001,814**	180,039	**1,071,931**	596,365
Total External Liabilities	—	—	**20,840**	38,495	**121,180**	105,766	**142,020**	144,261
Total External Assets	—	—	**99,206**	224,215	**47,220**	1,175,826	**146,426**	1,400,041

* The measurement of information in the table above that is reported to the Board does not include consolidation adjustments or central costs.

During the year IBP made sales to individual customers that exceed 10% of the total revenue. IBP made sales to four customers in excess of 10% at £57,049, £37,748, £20,973 and £20,541 respectively (2012: two customers of £124,235 and £123,957).

In 2012 Sure-Track Europe made sales to one individual customer of £100,015.

3. Employees and directors

	2013 £	2012 £
Wages and salaries	**84,164**	448,463
Social security costs	**7,618**	43,435
	91,782	491,898

The average monthly number of employees during the period was as follows:

	2013 No.	2012 No.
Directors	**2**	3
Administration	**3**	9
Sales	**—**	3
	5	15

	£	£
Directors' remuneration	**26,610**	142,575

The following table provides details of the remuneration and fees excluding share options of all the directors holding office at 31 March 2013:

	2013 £	2012 £
Executive Directors		
W Hirons (resigned 9 March 2012)	**—**	62,000
Non Executive Directors		
S Barrell*	**14,510**	29,825
B Wise**	**12,100**	14,000
N G T Linacre (resigned 14 February 2011)	**—**	2,000
M Thompson (resigned 14 February 2011)	**—**	2,500
J Nicol (including £18,000 loss of office) (resigned 27 April 2011)	**—**	32,250
	26,610	142,575
Key Management	**26,610**	128,513

* The services of S Barrell are provided through a consultancy agreement with SGB Consulting dated 3 August 2010. Mr Barrell does not receive any fees as a director of the company.

** The services of B Wise are provided through a consultancy agreement with Belton Consulting Limited dated 3 August 2010. Mr Wise does not receive any fees as a director of the company.

Mr Barrell and Mr Wise's fees for the period were accrued and are still outstanding.

4. Exceptional costs

	2013 £	2012 £
Impairment of goodwill in IBP Limited (see note 10)	**(885,028)**	—
Profit on sale of Sure-Track Europe Limited	—	19,337
Compensation for loss of office (see note 3)	—	(18,000)
Redundancy costs	—	(20,650)
	(885,028)	(19,313)

5. Finance income and finance costs

	2013 £	2012 £
Finance income:		
Deposit account interest	—	99
Finance costs:		
Loan Interest	—	—
Bank interest	—	—
	—	—

6. Loss before income tax

The loss before income tax is stated after charging/(crediting):

	2013 £	2012 £
Cost of inventories recognised as expense	**72,608**	578,164
Other operating leases	**12,540**	15,775
Depreciation – owned assets	**4,819**	15,568
Customer database amortisation	—	13,143
Development costs amortisation	—	16,862
Impairment of goodwill	**885,028**	—
Auditors' remuneration	**10,000**	11,000
The auditing of accounts of associates of the company pursuant to legislation	**5,000**	7,000
Foreign exchange differences	**1,532**	980

7. Income tax

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2013 nor for the period ended 31 March 2012.

Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	**(1,071,931)**	(596,365)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 %	**(214,386)**	(119,273)
Effects of:		
Disallowed items	**181,158**	47
Depreciation in excess of capital allowances on qualifying assets	**190**	(255)
Losses utilised	—	40
Unutilised losses	**33,038**	—
Other tax adjustments	—	119,441
Total income tax	—	—

Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £192,129 (2012: £153,000). This relates to estimated surplus trading losses carried forward which are available to be relieved against future profits of the same trade amounting to £960,644 (2012: £763,921).

8. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £1,394,951 including the impairment for goodwill shown in note 13 of £885,028 and the provision against amounts due from group companies in respect of IBP Limited of £392,779 (2012 loss of £3,432,322 which includes the loss on the disposal of Sure-Track Europe Limited).

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

The diluted loss per share is the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

Reconciliations are set out below.

	2013		
	Earnings £	**Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders from continuing operations	**(1,071,931)**	**694,692,433**	**(0.15)**
Effect of dilutive options	—	—	—
Diluted EPS			
Adjusted earnings	**(1,071,931)**	**694,692,433**	**(0.15)**

	2012		
	Earnings £	**Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders from continuing operations	(164,079)	704,331,161	(0.02)
Earnings attributable to ordinary shareholders from discontinued operations	(432,286)	704,331,161	(0.06)
Effect of dilutive options	—	—	—
Diluted EPS			
Adjusted earnings	(596,365)	704,331,161	(0.08)

10. Goodwill

Group

	£
Cost	
At 31 January 2011	1,753,190
Acquired through business combinations	20,000
Disposal of with subsidiary company	(20,000)
At 31 March 2012	1,753,190
At 31 March 2013	1,753,190
Amortisation	
At 31 January 2011	868,162
Impairments	—
At 31 March 2012	868,162
Impairments	885,028
At 31 March 2013	**1,753,190**
Net book value	
At 31 March 2012	885,028
At 31 March 2013	—

Group

Impairment

During the financial period ended January 2010 the company acquired the entire issued share capital of IBP Limited. Goodwill arising on consolidation amounted to £1,753,190. During the year ended 31 March 2013 this goodwill has been impaired to nil on the basis of the company's proposed disposal for consideration of £1.

The carrying amount of goodwill is allocated to the cash generating units (CGU's) as follows:

	2013 £	2012 £
Supply, assembly, install of security equipment	—	885,028

11. Intangible assets

Group	Customer database £	Development costs £	Patents and licences £	Total £
Cost				
Balance at 1 February 2011	40,000	95,370	3,970	139,340
Additions – externally acquired	37,150	—	—	37,150
Acquired through business combinations	10,000	—	—	10,000
Disposed of with sale of business	(87,150)	(95,370)	—	(182,520)
Balance at 31 March 2012	—	—	3,970	3,970
Balance at 1 April 2012	—	—	3,970	3,970
Balance at 31 March 2013	**—**	**—**	**3,970**	**3,970**
Accumulated amortisation				
Balance at 1 February 2011	32,000	61,870	—	93,870
Amortisation charge for the period	13,143	16,862	—	30,005
Disposed of with sale of business	(45,143)	(78,732)	—	(123,875)
Balance at 31 March 2012	—	—	—	—
Balance at 1 April 2012	—	—	—	—
Balance at 31 March 2013	**—**	**—**	**—**	**—**
Net book value				
At 1 February 2011	8,000	33,500	3,970	45,470
At 31 March 2012	—	—	3,970	3,970
At 31 March 2013	**—**	**—**	**3,970**	**3,970**

12. Property, plant and equipment

Group	Plant & machinery £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Totals £
Cost					
At 1 February 2011	990	13,894	47,700	10,370	72,954
Additions	—	5,860	4,000	—	9,860
Disposed	—	—	(14,700)	—	(14,700)
Disposed of with sale of business	—	(15,733)	(21,000)	—	(36,733)
At 31 March 2012	990	4,021	16,000	10,370	31,381
At 1 April 2012	990	4,021	16,000	10,370	31,381
Additions	—	—	—	2,522	2,522
Disposed	—	—	(4,000)	—	(4,000)
At 31 March 2013	990	4,021	12,000	12,892	29,903
Depreciation					
At 1 February 2011	612	7,709	4,347	6,982	19,650
Charges for period	110	2,448	11,969	1,041	15,568
Disposed	—	—	(4,179)	—	(4,179)
Disposed of with sale of business	—	(6,221)	(7,083)	—	(13,304)
At 31 March 2012	722	3,936	5,054	8,023	17,735
At 1 April 2012	722	3,936	5,054	8,023	17,735
Charge for period	67	41	3,500	1,211	4,819
Disposed	—	—	(1,250)	—	(1,250)
At 31 March 2013	789	3,977	7,304	9,234	21,304
Net book value					
At 31 February 2011	378	6,185	43,353	3,388	53,304
At 31 March 2012	268	85	10,946	2,347	13,646
At 31 March 2013	**201**	**44**	**4,696**	**3,658**	**8,599**

13. Investments

Company	Shares in group undertakings £
Cost	
At 1 February 2011	3,845,272
Disposal	(2,148,000)
At 31 March 2012	1,697,272
At 31 March 2013	**1,697,272**
Impairment	
At 1 February 2011	812,224
Charges	—
At 31 March 2012	812,224
Charges	885,048
At 31 March 2013	**1,697,272**
Net book value	
At 31 March 2013	—
At 31 March 2012	885,048
At 31 January 2011	3,033,048

The investment in IBP Limited has been impaired in the year, see note 10.

The Group or the Company's investments at the balance sheet date in the share capital of companies include the following:

Name	Incorporated in	Percentage Holding	Nature of Business
IBP Limited	UK	100%	Supply, assembly, install of security equipment

14. Inventories

	2013 £	2012 £
Finished goods	**13,175**	25,444
	13,175	25,444

15. Trade and other receivables

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Non Current:				
Long term loan	—	188,062	—	188,062

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Current:				
Trade receivables	**5,403**	22,431	—	—
Amounts owed by group undertakings	—	—	—	430,013
Other receivables	—	3,142	—	13,516
VAT	**6,633**	17,245	**6,633**	7,241
Prepayments and accrued income	**7,472**	12,143	**4,729**	—
	19,508	54,961	**11,362**	450,770

Disclosure of credit risk
The directors consider that the carrying amount of trade and other receivables approximates to their value.

On 5 March 2012 the Company announced the disposal of Sure-Track Europe Limited, to Will Hirons and Deborah Davis for a consideration of £188,062. On 17 October 2012 the Company received court approval for the capital reorganisation and the company enacted a Call Option on the former Chief Executives shares. On 22 November 2012 the Company completed the purchase of 117,538,809 shares and this was settled by the cancellation of the long term loan of £188,062.

Amounts owed to group undertakings in respect of IBP of £392,779 has been provided for in 2013 having regard to the proposed disposal of IBP

The ageing of the trade receivables as at 31 March 2013 is detailed below:

	2013 Gross	2013 Allowance	2012 Gross	2012 Allowance
0 to 30 days	**9,357**	—	26,286	—
30 to 60 days	**2,288**	—	5,905	—
60 to 90 days	**3,458**	—	—	—
Over 90 days	**(8,845)**	**855**	(8,172)	1,588
	6,258	**855**	24,019	1,588

The movement in allowance for doubtful debts in respect of trade receivables is detailed below:

	2013 £	2012 £
Opening Balance	**1,588**	5,391
Utilised in Period	**(733)**	(3,803)
Closing balance	**855**	1,588

16. Cash and cash equivalents

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank accounts	**101,174**	228,930	**35,858**	81,960
	101,174	228,930	**35,858**	81,960

17. Called up share capital

Ordinary Shares

	Number of ordinary shares £	Nominal Value £	Total Value £
Issued at 1 February 2011	661,347,670	0.0005	330,674
Placing August 2011	75,000,000	0.0005	37,500
Issued at 31 March 2012	736,347,670	0.0005	368,174
Purchase of own shares in conjunction with the sale of Sure-Track Europe Limited	(117,538,809)	0.0005	(58,770)
Issued at 31 March 2013	**618,808,861**	**0.0005**	**309,404**

On 17 October 2012 the Company received court approval for the cancellation of the deferred shares and the share premium account. The Company enacted a Call Option on the former Chief Executives shares. On 22 November 2012 the Company completed the purchase of 117,538,809 shares and this was settled by the cancellation of the long term loan of £188,062.

The shares issued on 1 August 2011 were issued at 0.35p creating a premium credited to the share premium account of £211,875 net of expenses of £13,125.

Deferred shares

Since 31 July 2010 there have been 400,281,000 deferred shares at a nominal value of £0.0095. These shares were cancelled on 17 October 2012 following the capital reconstruction.

Total ordinary and deferred shares

The issued share capital as at 31 March 2013 is as follows:

	Number of shares £	Nominal Value £	Total Value £
Ordinary shares	618,808,861	0.0005	309,404
			309,404

On flotation to AIM, the Company issued 261,066,670 shares with a nominal value of £130,533 for a consideration of £1,566,400. The premium of £1,435,867 wascredited to the share premium account.

Transaction costs of £312,467 were incurred on the issue of shares which were settled in cash. These costs have been deducted from the share premium account.

18. Reserves

Group

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 February 2011	(2,273,917)	1,879,858	(2,148,000)	(2,542,059)
Share premium issue of equity	—	212,039	—	212,039
Sale of subsidiary company	(2,148,000)	—	2,148,000	—
Deficit for period	(596,365)	—	—	(596,365)
Share based payment charge	11,321	—		11,321
At 31 March 2012	(5,006,961)	2,091,897	—	(2,915,064)
Cancellation of share premium account	2,091,897	(2,091,897)	—	—
Cancellation of deferred shares	3,802,670	—	—	3,802,670
Purchase of own shares	(129,293)	—	—	(129,293)
Deficit for the period	(1,071,931)	—	—	(1,071,931)
Share based payment charge	8,620	—	—	8,620
At 31 March 2013	**(304,998)**	**—**	**—**	**(304,998)**

Company

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 February 2011	(1,341,666)	1,880,022	—	538,356
Share premium issue of equity	—	211,875	—	211,875
Deficit for the period	(3,432,322)	—	—	(3,432,322)
Share based payment charge	11,321	—	—	11,321
At 31 March 2012	(4,762,667)	2,091,897	—	(2,670,770)
Cancellation of share premium account	2,091,897	(2,091,897)	—	—
Cancellation of deferred shares	3,802,670	—	—	3,802,670
Purchase of own shares	(129,293)	—	—	(129,293)
Deficit for the period	(1,394,591)	—	—	(1,394,591)
Share based payment charge	8,620	—	—	8,620
At 31 March 2013	**(383,364)**	**—**	**—**	**(383,364)**

The following describes the nature and purpose of each reserve within equity:-

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Other reserves	Amounts arising out of share issues as consideration for business combinations for a period before transition to IFRS.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement and consolidated statement of comprehensive income

19. Trade and other payables

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Current:				
Trade payables	**101,449**	98,100	**97,180**	79,794
Social security and other taxes	**2,116**	1,924	**—**	—
Accruals and deferred income	**38,002**	44,237	**24,000**	25,972
VAT	**453**	—	**—**	—
	142,020	144,261	**121,180**	105,766

The ageing of the trade payables as at 31 March 2013 is detailed below:

	2013 £	2012 £
0 to 30 days	**11,939**	65,990
30 to 60 days	**13,021**	12,765
60 to 90 days	**600**	(475)
Over 90 days	**75,889**	19,820
	101,449	98,100

20. Share based payment plans

The expense recognised for employee services received during the period is shown in the following table:

	2013 £	2012 £
Expenses arising from equity settled share-based Payment transactions	**8,620**	11,321

Share options held by directors, employees and third parties are as follows:

Outstanding 1 April 2012	Granted During period	Exercised during period	Lapsed during period	Outstanding 31 March 2013	Date of Grant	Final date of Grant
18,000,000*	—	—	—	18,000,000*	03/08/2010	03/08/2020
6,000,000	—	—	—	6,000,000	03/08/2010	08/07/2013
13,226,953	—	—	—	13,226,953	03/08/2010	03/08/2014
7,000,000				7,000,000	13/02/2011	13/02/2021
6,613,475	—	—	6,613,475	—	14/02/2011	26/02/2012

*15,000,000 of the options outstanding were re-designated in 2012 to have a final date of grant as 5 March 2016.

A modified Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight line basis over the vesting period, which is determined annually. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the market sector in which the Group operates, the expected life of the options, the risk free rate of interest and the expected level of dividends in future periods.

20. Share based payment plans continued

The inputs into the model were as follows:

Granted	2012
Weighted average share price	0.45p
Expected volatility	40%
Expected life	5 years
Risk-free rate	2.5%
Expected dividend yield	0%

21. Reconciliation of loss before income tax to cash generated from operations

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Loss before income tax	**(1,071,931)**	**(1,394,591)**	(596,365)	(3,432,322)
Depreciation and amortisation charges	**4,819**	—	45,573	—
Impairment of goodwill	**885,028**	—	—	—
Write down of cost of investment in subsidiary	—	**885,048**	—	—
Provision for amounts due from subsidiary undertaking	—	**392,779**	—	—
Loss on sale of fixed assets	**750**	—	385	—
(Profit)/loss on disposal of subsidiary	—	—	(19,337)	3,254,060
Share based payment cost	**8,620**	**8,620**	11,321	11,321
Finance income	—	—	(99)	(99)
	(172,714)	**(108,144)**	(558,522)	(167,040)
Decrease/(Increase) in inventories	**12,270**	—	(18,448)	—
Decrease/(Increase) in trade and other receivables	**35,451**	**46,628**	25,240	(471,995)
Increase/(Decrease) in trade and other payables	**(2,241)**	**15,414**	86,348	41,569
Cash used by operations	**(127,234)**	**(46,102)**	(465,382)	(597,466)

22. Cash and cash equivalents

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amount:

	2013 £	2012 £
Cash and cash equivalents	**101,174**	228,930

23. Related party transactions

The company had the following amounts outstanding with its subsidiaries at the period end:

	2013 £	2012 £
IBP Limited	**392,779**	430,013
Provision against amounts due	**(392,779)**	
	—	430,013

Transactions with directors

The following loan to directors subsisted during the period ended 31 March 2012:

	2013 £	2012 £
W Hirons		
Balance outstanding at start of period	—	4,887
Amounts advanced	—	—
Disposed of with subsidiary undertaking	—	(4,887)
Balance outstanding at end of period	—	—

No Interest was charged on this loan.

24. Operating lease arrangements

At the balance sheet date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013 £	2012 £
Within one year	**3,832**	—
In the second to fifth years inclusive	—	5,748
After five years	—	—
	3,832	5,748

25. Risk management

General objectives, policies and procedures
The directors have overall responsibility for the determination of the Group's risk management objectives and operating processes that ensure effective implementation of the policies set out below. Directors receive monthly reports through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details of these policies are set out below:-

Financial risk management

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to the following risks:

- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is group policy to assess the credit risk of new customers before entering contracts. Subject to this assessment, the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer.

The directors determine concentrations of credit risk through a monthly review of trade receivables' ageing analysis. Customers placed as high risk are placed on a restricted customer list and future sales made on a prepayment basis, subject to the discretion of the directors and local management. Further quantitative disclosures are included in note 15 of the financial statements.

Liquidity risk
Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

25. Risk management continued

The directors receive rolling 12 month cash flow projections on a monthly basis as well as information regarding cash investments. At the period end these projections indicated that the group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to secure new facilities with the bank.

Budgets are set at group level by the directors, enabling the group's cash requirements to be anticipated and any increase in facilities requires the approval of the board of directors. More details in regard to the line items (including contractual maturities) are included in note 19 entitled Trade and other payables.

Capital disclosures

The group monitors "adjusted capital" which comprises all components of equity. The group's objectives when maintaining capital are:

– to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for their stakeholders; and

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments in the light of changes in economic circumstances and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to adjusted capital ratio. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents. The Group had net funds as at the period ended 31 March 2013 and 31 March 2012.

Future risks

Following the announcement on 10 September 2013 whereby the company will become an investment company the future market risk will be that of finding suitable investments for the company to invest in and the returns that those investments will return given the markets that in which investments are made.

26. Controlling interest

There is no overall controlling party.

27. Events after the balance sheet date

On 10 September 2013 the Company announced the disposal of IBP Limited for £1 along with the raising of approximately £250,000 before expenses and the Company becoming an investing company. This is subject to shareholder approval at the General Meeting to be held on 2 October 2013.

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